(b) to what extent is the lethargy and in-efficiency attributed to poor management skills of Indian Bank;

(c) whether it is also a fact that stagnation and durability of employment and non-transfers at Head Office of second level management are largely responsible for this state of affairs;

(d) whether Government would appoint a specific desk officer to examine the lack of constructive functioning of Indian Bank in public interest; and

(e) if so, the steps proposed in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No, Sir. The banks has taken various pro-active steps facilitating interaction of NPA borrowers for recovery of NPAs Various steps taken by the Bank has resulted in reduction of gross NPAs from Rs. 3708.85 crore (as on 31.03.1999) to Rs. 731.54 crore (as on 31.03.2005).

(c) As reported by the Bank, there is no stagnation in the second line in the Head Office of the Indian Bank. 33 officers have been promoted to second line Deputy General Manager Cadre during 2005. At the level of second line executives, 16 officers were transferred from/to Head Office of the bank during the period 2003—2005.

(d) and (e) The Government has put in place a mechanism to monitor the performance of all public sector banks including Indian Bank, on the basis of the 'Statement of Intent on Annual Goals' submitted by them.

Mismanagement in Indian Bank

1441. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Indian Bank is still suffering the trauma induced by earlier losses and mismanagement;

(b) what steps are proposed by Government to create a better level of management in Indian Bank by outside recruitment at higher executive levels;

(c) steps proposed to review the reasons for slow recovery of Indian Bank in all spheres;

(d) whether Government would supervise major functions of this Bank; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (c) No, Sir. Indian Bank's performance has been consistently good during the recent years. Indian Bank has achieved net profit of Rs. 408.49 crore during the year 2004-05 as against Rs. 188.83 crore during the year 2002-03. Gross NPAs of the Bank have decreased from Rs. 1630 crore in 2002-03 to Rs. 742 crore in 2004-05. By adopting suitable strategies and putting in place an effective recovery mechanism, the Bank could reduce the percentage of gross and net NPA to 3.53% and 1.06% by September, 2005 from 21.76% and 10.07% by March, 2001 respectively.

(b) Government has announced an autonomy package on 22.02.2005 whereby the public sector banks including Indian Bank have been granted autonomy in matters of placement, promotions, rewards and incentives for meritorious performance, campus recruitment to attract telent etc.

(d) The Government has put in place a mechanism to monitor the performance of all public sector banks including Indian Bank, on the basis of the 'Statement of Intent on Annual Goals' submitted by them.

(e) Does not arise.

Taxes on small and cottage industries

†1442. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are continuously imposing taxes one after another on common masses and small and cottage industries of the country due to which the tax system prevalent in the country has become more difficult;

(b) if so, the details thereof and the reasons therefore; and

†Original notice of the question was received in Hindi.